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## CONVEYANCES; RULE AGAINST PERPETUITIES

**House Bill 5647**

**Sponsor: Rep. Larry DeVuyst**

**Committee: Commerce**

**Complete to 3-12-98**

### **A SUMMARY OF HOUSE BILL 5647 AS INTRODUCED 3-10-98**

House Bill 5647 would amend the Uniform Statutory Rule Against Perpetuities Act, which governs property conveyance, and which sets limiting conditions that make property interest valid. The bill specifies that the language of a trust or other property arrangement would be inoperative, if it produces a period of time that exceeds 21 years after the death of the survivor of the specified lives in being at the creation of the trust.

(According to the Michigan Law Revision Commission, the common law rule against perpetuities evolved over a 200-year period that culminated in the seventeenth century with the 21-years-plus-lives-in-being rule. The rule was designed as a restraint on the power of a landowner to create nonvested interests in property; that is, to tie up property in long-term or even perpetual family trusts. Under the rule, a nonvested property interest is void unless it is certain at the time of the interest's creation that the interest either will vest or fail to vest during the permitted period.)

MCL 554.72

House Bill 5647 (3-12-98)

Analyst: J. Hunault

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.